UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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ART UNIT	PAPER NUMBER
3695	

MAIL DATE	DELIVERY MODE
02/09/2011	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
  Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on <u>*18 November 2010*</u>.

2a)☒ This action is **FINAL**.   2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *40-42,55,56,58,59,61-65,67-69 and 71-75* is/are pending in the application.

   4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *40-42, 55, 56, 58-59, 61-65, 67-69, 71-75* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

   Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

   Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

   a)☐ All   b)☐ Some * c)☐ None of:

   1.☐ Certified copies of the priority documents have been received.

   2.☐ Certified copies of the priority documents have been received in Application No. _____.

   3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

   * See the attached detailed Office action for a list of the certified copies not received.

DETAILED ACTION

This office action is in response to Applicant's submission filed on 11/18/2010

has been entered.

Priority: 11/17/2000

·Status of Office Action: Final

Status of Claims:

     Claims 1-39, 43-54, 57, 60, 66, 70 are cancelled.

     Claims *40-42, 55, 56, 58-59, 61-65, 67-69, 71-75* are pending.

1.   **Examiner's Note:** During the interview, the Examiner was assured by the

attorney that the claims would be drawn to one embodiment (**one invention**); however,

the attorney has included different embodiments for different independent claims. All

independent claims are drawn to different embodiment (see the specification **different**

scopes), in case of allowance, the allowable subject matter will be restricted to only one

of the embodiment (**restricted to one invention**), even if all of the claims are

examined.

Claim Rejections - 35 USC § 112

2.   The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claim 71-75 "the predetermined order conditions associated with the match are invalid and

result in a locked or crossed market" is vague. What is locked/cross marked (order or

matching engine) and "locked or cross marked" for what? Please, correct to claimed limitation in

order to properly reflect the scope of the invention.

    1. It is obvious that when the orders (orders as a function of price/time and at lease one of

predetermined order condition) do not match the trade is not executed, otherwise why bother

wasting resources on matching.

    2. When both orders are locked or crossed marked, mean they are invalid/blocked/locked

orders and could not be matched with remaining of the order list (plurality of orders), since they

are locked.

    3. Logically, suppose an order (B_{piti}) does not matched with the list of orders (O_{p1t1}, O_{p2t2},

...O_{pktk}) then the order (B_{piti}) should be locked/marked for future matching or processing (next

steps to dispose the order). Similarly, if the orders match (B_{piti} matched O_{pjtj}) , they (orders B_{piti}

& O_{pjtj}) should be blocked form further matching and taken out (moved/removed) of the order

list and should be moved to the next step of settlement, to reduce the load on the matching

engine/prevent system error. This limitation **should be fixed per Original Specification (no**

new matter) to properly reflect the intent of the invention and be operable, and concrete.

Claim Rejections - 35 USC § 103

3.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set
> forth in section 102 of this title, if the differences between the subject matter sought to be patented and
> the prior art are such that the subject matter as a whole would have been obvious at the time the

invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 40-42, 55-56, are rejected under 35 U.S.C. 103(a) as being unpatentable over McCausland et al. (hereinafter McCausland - US 5,243,331) in view of Lawrence (US 5,915,209), Broka et al. (Broka - US 5,809,483), Lupien et al. (Lupien - US 5,101,353), Admitted Prior Art (APA) and **Hughes et al. (hereinafter Hughes - US 7,231,363).**

Re. Claim 40, McCausland discloses order entry (bid or offer) and execution for single-order or multiple order and

receiving by the electronic trading system from a first trading computer a first order request (an order or new bid/offer) from a first trader (a trader)

receiving by the electronic trading system from a second trading computer a second order request (an order or new bid/offer) from a second trader [col. 15 lines 39-65; col. 22 lines 40-63 - first order and second order are inherent in McCausland, otherwise the trade cannot take place].

presenting by the electronic trading system to **at least one** of the first trader and the second trader at least one of a first list of orders and second list of orders including a plurality of data fields corresponding to at least one of the first order request and the second order requests [Figures 6B-8 (Fields: #, issue, Bid, Offer, Yield) ; col. 19 line 48 through col. 20 line 14];

receiving by the electronic trading system from at least one of the first and second trading computers at least one of the first and second completed orders

[McCausland - Figures 5-7; col. 15 lines 38-45; col. 17 line 25 through col. 18 line 53;

col. 23 lines 59-60];

displaying by the electronic trading system the received orders for broadcast

[McCausland - col. 2 line 56 through col. 3 line 16; col. 13 lines 8-21 - It is obvious that

for anonymously trading the orders have to be authorized to be displayed to the other

party];

matching by the electronic trading system the received orders using a price/time

priority and with at least one of predetermined order conditions *comprising*:

a "Fill or Kill" order condition by immediately filling the order in its entirety or by

canceling the order when the order is not immediately filled;

an "All or None" order condition by filling the entire quantity of the order;

a "Minimum Fill" order condition by initially filling a first quantity and wherein the

remaining balance has no conditions unless specified;

a "Lots Of" order condition by setting a condition of minimum execution in lots;

a "Show Only" order condition by managing the display of quantity;

a "Good Until a time of day" order condition by setting the time of order expiration

in terms of a time of day;

a "Good For a period of time" order condition by setting the time of order

expiration in terms of hours and minutes [**implicit - see the fact is shown by virtue of**

the disclosure col. 2 lines 61-62 "all orders in the market are live until executed or

canceled" or Examiner's interpretation "All or None", col. 9 lines 40-56 "a unique

transaction code" ... "classes of message requests, also called transactions" ; col. 10

lines 1-12; col. 22 lines 40-45 (live until canceled = Examiner's interpretation fill ALL

order or cancel NONE). It is obvious to one practitioner in the field of securities that the

stocks or securities orders are preconditioned by price, size, time limit to complete or

cancel, otherwise the order will stay on the books for ever; and

a "Quantity" order condition by including the remaining quantity [McCausland -

col. 2 lines 50-65; col. 22 line 40 through col. 23 line 30]; and

executing automatically by the electronic trading system trading of the received

trading orders upon received selection from one of the plurality of traders of a particular

trading order comprising a bid or offer when a plurality of the trading orders match [col.

1 lines 30-35; col. 22 line 40 through col. 24 line 5].

McCausland does not explicitly disclose order type ("Fill or Kill", "Minimum Fill" ,

"Lots Of", "Show Only", "Good Until a time of day", or "Good For a period of time")

which are part of Markush group (MPEP 803.02 - alternatives), see above;

enabling by the electronic trading system at least one of the first trader and

second trader to complete at least one of a first order and a second order on one side of

prospective trade for one of the plurality of bonds instrument by selecting an order from

the at least one of the first list and the second list of orders, wherein the selected order

includes at least one of a first amount and second amount and the second amount is

displayed to users of the system;

receiving by the electronic trading system authorization from at least one of the

first and second traders to broadcast at least part of the received orders to plurality of

traders;

transmitting by the electronic trading system the received orders authorized for broadcast to each of the plurality of traders without disclosing an identity of each trader associated with each order being broadcast; and

matching the completed trading orders using a price/time priority in combination with at least one of predetermined order conditions when presented; and

presenting by the electronic trading system a match of the received trading orders when the predetermined order conditions associated with the match are invalid and result in a locked or cross market; and matching plurality of orders.

However, one skill in the art (practitioners such as brokers, market makers, dealer, etc) knows that in order to buy or sell securities (such as: stocks, bonds, etc,) there have to be at least two counter party to do the trade (a seller and a buyer or a party/counterparty) with and in order for the dealer to trade with counterparty, he/she should have received from broker/customer and buy-order (bid side) or a sell-order (ask or offer side) to trade and then the buy-order or sell-order is to be distributed or be displayed/shown to the other dealers/traders who may be interested to trade and after a negotiation/acceptance the trade has to be executed and the trade is completed (APA).

Further, the market orders such as "Fill or Kill", "Minimum Fill" , "Lots Of", "Show Only", "Good Until a time of day", "Good For a period of time", contingent orders, or stop limit orders are well-known in trading securities where the market order type are stated by the customer which discloses how does he/she wishes to buy or sell securities and what price.

Broka discloses enabling by the trading platform at least one of the first and second traders to complete on one side of a prospective trade for one of the plurality of bond instruments at least one of a first and second orders by selecting an order from the at least one of the first and second lists of orders specifying at least one of a first and second amount, wherein the second amount is disclosed to other traders [Abstract; Figures 12 (one side of trade order), 13-14, 20 (list of trades and trade sides), 18 (enter quote - price and size or amount), 26-28 (group, ticker), 30 (selection window), 50-51 (authorized issue) and associated descriptions; Col. 1 lines 47 through col. 2 line 10, col. 4 lines 45-65 (bond trading, bid, offer, trade completion, anonymity), col. 5 lines 53-57 (group of bonds), col. 11 lines 25 through col. 12 line 37], It would have been obvious at the time the invention was made to a person having ordinary skill in the art to combine the disclosures of McCausland and Broka and provide a electronic bond trading platform simple-to-use to post bonds quotes for dissemination to others and display the trades when they are executed.

Lawrence discloses authorizing broadcast of at least part of the submitted orders to plurality of traders; transmitting the submitted orders authorized for broadcast using the computer to each of the plurality of traders without disclosing an identity of each trader associated with each order being broadcast [Lawrence - Abstract; col. 3 line 40 through col. 4 line 10; col. 5 lines 30-32; col. 8 lines 3-8; col. 16 lines 22-30]. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to combine the disclosure of McCausland and Broka and include authorizing broadcast of at least part of the submitted orders to plurality of traders; transmitting the

submitted orders authorized for broadcast using the computer to each of the plurality of

traders without disclosing an identity of each trader associated with each order being

broadcast, as disclosed by Lawrence, to enable the traders to distribute the list of

bids/offer to authorized counterparties for their evaluation and accepting/rejecting the

deal to consummate the trade.

Hughes discloses preventing by the electronic trading system a match of the

received trading orders when the predetermined order conditions associated with the

match are invalid and result in a locked or cross market; and matching plurality of orders

[Abstract; Figures 1, 7-14; col. 1 line 30 through col. 2 line 6, col. 3 lines 3-29, col. 3

lines 63~, col. 9 lines 10-40 ("The order matching routine regularly polls pending orders

... execute the transaction if matching orders are found.", col. 19 lines 19-45 "The order

is then marked as inactive (locked) and a record is written to the match table to record

the matching transaction", - col. 21 lines 6-32]. It would have been obvious at the time

the invention was made to a person having ordinary skill in the art to combine the

disclosure of McCausland, Broka, Lawrence and Hughes and provide an electronic

trading system to poll the pending order list of bids and offers and find suitable matched

counter orders with predefined rules once the matched orders are filled and trade is

created the matched orders are executed otherwise, marked for invalid to be send back

to the broker to fix the order [Fig. 2].

Lupien discloses matching the completed trading orders using a price/time

priority in combination with at least one of predetermined order conditions when

presented; presenting a match responsive to said predetermined order conditions; and

matching plurality of orders [Figures 2-6; col. 1 lines 5-18, line 62 through col. 2 line 13,

col. 7 line 47 through col. 8 line 51, col. 10 lines 24-64, col. 12 lines 53 through col. 13

line 42]. It would have been obvious at the time the invention was made to a person

having ordinary skill in the art to combine the disclosure of McCausland, Broka,

Lawrence, Hughes and Lupien to provide an automated securities trading and portfolio

management system to generate liquidity and monitor the security trades, price, size

and order type and match and execute the conditional orders on a price-time priority

basis.

Re. Claim 41, McCausland discloses wherein the plurality of different types of bond

instruments include one or more of the following: high-yield bonds, corporate bonds,

emerging market bonds, convertible bonds, derivative instruments comprised of bonds,

and municipal bonds [col. 2 lines 50-65; col. 3 lines 7-20; col. 4 lines 16-22; see

"government securities ... notes"; col. 22 lines 40 to col. 23 lines 10 "multi-order trader

and automatic bid or offer"].

Re. Claim 42, McCausland discloses, reporting by the electronic trading system every

executed trade to all users in a scrolling ticker continually updated in each user's

graphical user interface (window), there being one scrolling ticker for each bond

instrument type [see Figures 1-2 and associated descriptions].

Re. Claims 55-56, McCausland discloses creating by the electronic trading system an audit trail for each order that includes creating an immutable record of every order modification [col. 13 lines 59-67; col. 21 lines 45-50], and wherein creating an immutable record includes tracing each order that was changed, recording when each order was changed, and recording the value of the order before and after the change [col. 13 lines 59-67; col. 21 lines 45-50].

Claims 61-65, 67-69, 71-72, 74-75 are rejected under 35 U.S.C. 103(a) as being unpatentable over McCausland et al. (hereinafter McCausland - US 5,243,331), as applied to claims 40, 58 above in view of Lawrence (US 5,915,209), Lupien and Hughes et al. (hereinafter Hughes - US 7,231,363).

Re. Claim 61, McCausland discloses presenting by the electronic trading system anonymously to a plurality of buyer dealers sell orders comprising different types of bond instruments offers for sale for different types of bond instruments; enabling the plurality of buyer dealers to anonymously submit buy orders and to buy at least one of the different types of bond instruments [col. 2 lines 50-65; col. 3 lines 7-20; col. 4 lines 16-22; see "government securities ... notes"; col. 22 lines 40 to col. 23 lines 10 "multi-order trader and automatic bid or offer"];

matching using a computer the buy orders and the sell orders for the one or more different types of bond instruments in a price and time priority basis in combination with at least one of predetermined order conditions comprising at least one of: a "Fill or Kill"

order condition by immediately filling the order in its entirety or by canceling the order

when the order is not immediately filled; an "All or None" order condition by filling the

entire quantity of the order; a "Minimum Fill" order condition by initially filling a first

quantity and wherein the remaining balance has no conditions unless specified; a "Lots

Of" order condition by setting a condition of minimum execution in lots; a "Show Only"

order condition by managing the display of quantity; a "Good Until a time of day" order

condition by setting the time of order expiration in terms of a time of day; a "Good For a

period of time" order condition by setting the time of order expiration in terms of hours

and minutes [see supra]; and

a "Quantity" order condition by including the remaining quantity [McCausland -

col. 2 lines 50-65; col. 22 line 40 through col. 23 line 30]; and displaying all received

trading orders forwarded from a controller for broadcast; submitting a completed trading

order [McCausland - col. 23 lines 59-60].

McCausland *does not explicitly disclose* transmitting all trading orders using the

computer wherein the buy orders and the sell orders are matched and authorized for

broadcast to each of the plurality of buyer dealers and seller dealers that are matched

without disclosing an identity of each of the buyer dealer and the seller dealer

associated with each trading order being broadcast; enabling the plurality of buyer

dealers to anonymously perform a query for different types of bond instruments; and

reporting all the matched buy orders and sell orders; matching the completed trading

orders using a price/time priority in combination with at least one of predetermined order

conditions when presented; preventing by the electronic trading system a match of the

received trading orders when the predetermined order conditions associated with the

match are invalid and result in a locked or cross market; and matching plurality of

orders.

However, one skill in the art (practitioners such as brokers, market makers,

dealer, etc) knows that in order to buy or sell securities (such as: stocks, bonds, etc,)

there have to be at least two counter party to do the trade (a seller and a buyer or a

party/counterparty) with and in order for the dealer to trade with counterparty, he/she

should have received from broker/customer and buy-order or a sell-order to trade and

then the buy-order or sell-order is to be distributed or be displayed/shown to the other

dealers/traders who may be interested to trade and after a negotiation/acceptance the

trade has to be executed.

Further, the market orders such as "Fill or Kill", "Minimum Fill" , "Lots Of", "Show Only",

"Good Until a time of day", "Good For a period of time", contingent orders, or stop limit

orders are well-known in trading securities where the market order type are stated by

the customer which discloses how does he/she wishes to buy or sell securities and what

price.

Lawrence discloses transmitting all trading orders using the computer wherein

the buy orders and the sell orders are matched and authorized for broadcast to each of

the plurality of buyer dealers and seller dealers that are matched without disclosing an

identity of each of the buyer dealer and the seller dealer associated with each trading

order being broadcast [**Lawrence** US 5915209; Abstract; col. 3 line 40 through col. 4

line 10; col. 5 lines 30-32; col. 8 lines 3-8; col. 16 lines 22-30]]. It would have been

obvious at the time the invention was made to a person having ordinary skill in the art to

combine the disclosure of McCausland and include authorizing broadcast of at least

part of the submitted orders to plurality of traders; transmitting the submitted orders

authorized for broadcast using the computer to each of the plurality of traders without

disclosing an identity of each trader associated with each order being broadcast, as

disclosed by Lawrence, to enable the traders to distribute the list of bids/offer to

authorized counterparties for their evaluation and accepting/rejecting the deal to

consummate the trade.

Hughes discloses enabling the plurality of buyer dealers to anonymously

perform a query for different types of bond instruments and reporting all the matched

buy orders and sell orders and preventing by the electronic trading system a match of

the received trading orders when the predetermined order conditions associated with

the match are invalid and result in a locked or cross market [supra]. It would have been

obvious at the time the invention was made to a person having ordinary skill in the art to

combine the disclosure of McCausland and Lawrence, Hughes and include the above

feature, as disclosed by Hughes, to generate list of different candidates based on their

orders and CUSIP to be forwarded for matching server's matching routine for

determining when the two orders match and should be forwarded for execution.

Lupien discloses matching the completed trading orders using a price/time

priority in combination with at least one of predetermined order conditions when

presented; presenting a match responsive to said predetermined order conditions; and

matching plurality of orders [Figures 2-6; col. 1 lines 5-18, line 62 through col. 2 line 13,

col. 7 line 47 through col. 8 line 51, col. 10 lines 24-64, col. 12 lines 53 through col. 13

line 42]. It would have been obvious at the time the invention was made to a person

having ordinary skill in the art to combine the disclosure of McCausland, Lawrence,

Hughes and Lupien to provide an automated securities trading and portfolio

management system to generate liquidity and monitor the security trades, price, size

and order type and match and execute the conditional orders on a price-time priority

basis.

Re. Claims 62-65,67-69, 72, 74-75 McCausland a match <u>include</u> at least one of a

"Quantity" greater than $100,000 order condition; a "Fill or Kill" and an "All or None"

order condition combination; a "Fill or Kill" and "Minimum Fill" order condition

combination; a "Fill or Kill" and a "Show Only" and a "Lots Of" order condition

combination; an "All or None" and a "Show Only" and a "Lots Of" order condition

combination; a "Fill or Kill" and a "Lots Of" order condition combination; a "Fill or Kill"

and a "Minimum Fill" and a "Lots Of" order condition combination; a "Fill or Kill" and a

"Minimum Fill" and a "Lots Of" and a "Show Only" order condition combination; a "Fill or

Kill" and a "Show Only" order condition combination; a "Fill or Kill" and a "Good Until a

time of day" order condition combination; a "Fill or Kill" and a "Good For a period of

time" order condition combination; an "All or None" and a "Minimum Fill" order condition

combination; an "All or None" and a "Lots Of" order condition combination;   an "All

or None" and a "Minimum Fill" and a "Lots Of" order condition combination; an "All or

None" and a "Minimum Fill" and a "Lots Of" and a "Show Only" order condition

combination; an "All or None" and a "Show Only" order condition combination; an "All or None" and a "Show Only" and a "Lots Of" order condition combination; a "Minimum Fill" less than $100M order condition; a "Minimum Fill" less than a "Lots Of" order condition combination; a "Minimum Fill" more than a "Quantity" order condition combination; a "Lots Of" not a multiply of a "Quantity" order condition combination; a "Lots Of" less than $10M order condition; a "Lots Of" not equal to or a multiple of a "Minimum Fill" order condition combination; a "Show Only" less than $100M order condition; a "Show Only" greater than a "Quantity" order condition combination; a "Show Only" less than a "Minimum Fill" order condition combination; **or** a "Lots Of" not a multiple of a "Show Only" order condition combination.

Lawrence discloses displaying a bond variety list; wherein said bond variety list includes at least one of insured bonds, pre-refunded bonds, callable bonds, bank-qualified bonds, AMT bonds, escrowed bonds, taxable bonds (known) [col. 1 line 1 through col. 2 line 60]. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to combine the disclosure of McCausland and include the above features disclosed by Lawrence, to provide a comprehensive system for verity of bonds trading.

Hughes discloses enabling the plurality of buyer dealers to specify a bond instrument issuer, a CUSIP code, a US state, an issue type, and a purpose or set of purposes; displaying range specific data fields to the plurality of buyer dealers including a coupon range having a coupon minimum and maximum, a maturity range having an earliest and latest maturity date, a bond rating range having a rating minimum and

maximum, a quantity range having a quantity minimum and maximum, a yield range

having a yield minimum and maximum, and a price range having a price minimum and

maximum; enabling the plurality of buyer dealers to specify a minimum and maximum

coupon, an earliest and latest maturity date, a minimum and maximum bond rating, a

minimum and maximum quantity, a minimum and maximum yield, and a minimum and

maximum price; matching by the plurality of buyer dealers the different types of bond

instruments being offered for sale; and submitting anonymously by at least one of the

plurality of buyer dealers buy orders responsive to the displayed range specific data

field; preventing a match under said predetermined conditions; wherein said

predetermined order conditions preventing a match include; wherein a locked or

crossed market can be unlocked or uncrossed by at least one of the plurality of buyer

dealers or by at least one of the plurality of seller dealers entering an order with a better

price than the displayed order locking or crossing the market; wherein a locked or

crossed market can be unlocked or uncrossed without causing a trade to occur.

[Abstract; Figure 1; col. 9 lines 10-40; col. 16 lines 15-65; col. 17 line 37 through col. 20

line 60; col. 22 lines 6-22]. It would have been obvious at the time the invention was

made to a person having ordinary skill in the art to combine the disclosure of

McCausland and Lawrence and include the above feature, as disclosed by Hughes, to

provide a comprehensive and integrated system with active rules for processing and

trading of financial instrument over the Internet for investor, and brokers in real time.

Re. Claim 71, McCausland discloses presenting by the electronic trading system

anonymously to a plurality of clients buy orders comprising different types of bond

instruments offers for purchase for different types of bond instruments by a plurality of

buyer dealers [col. 2 lines 50-65; col. 3 lines 7-20; col. 4 lines 16-22; see "government

securities ... notes"; col. 22 lines 40 to col. 23 lines 10 "multi-order trader and automatic

bid or offer"]; enabling the plurality of clients to anonymously submit sell orders and to

sell at least one of the different types of bond instruments [McCausland - Figures 5-7;

col. 17 line 25 through col. 18 line 53; col. 23 lines 59-60]; matching using a computer

the buy orders and the sell orders for the one or more different types of bond

instruments in a price and time priority basis in combination with at least one of

predetermined order conditions comprising at least one of: a "Fill or Kill" order condition

by immediately filling the order in its entirety or by canceling the order when the order is

not immediately filled; an "All or None" order condition by filling the entire quantity of the

order; a "Minimum Fill" order condition by initially filling a first quantity and wherein the

remaining balance has no conditions unless specified; a "Lots Of" order condition by

setting a condition of minimum execution in lots; a "Show Only" order condition by ·

managing the display of quantity; a "Good Until a time of day" order condition by setting

the time of order expiration in terms of a time of day; a "Good For a period of time" order

condition by setting the time of order expiration in terms of hours and minutes [see

above]; and a "Quantity" order condition by including the remaining quantity [col. 2 lines

50-65; col. 22 line 40 through col. 23 line 30];

displaying all received trading orders forwarded from a controller for broadcast

submitting a completed trading order; and reporting all the matched buy orders and sell orders [col. 23 lines 59-60].

However, one skill in the art (practitioners such as brokers, market makers, dealer, etc) knows that in order to buy or sell securities (such as: stocks, bonds, etc,) there have to be at least two counter party to do the trade (a seller and a buyer or a party/counterparty) with and in order for the dealer to trade with counterparty, he/she should have received from broker/customer and buy-order (bid side) or a sell-order (ask or offer side) to trade and then the buy-order or sell-order is to be distributed or be displayed/shown to the other dealers/traders who may be interested to trade and after a negotiation/acceptance the trade has to be executed and the trade is completed.

Further, the market orders such as "Fill or Kill", "Minimum Fill" , "Lots Of", "Show Only", "Good Until a time of day", "Good For a period of time", contingent orders, or stop limit orders are well-known in trading securities where the market order type are stated by the customer which discloses how does he/she wishes to buy or sell securities and what price.

Lawrence discloses transmitting all trading orders using the computer wherein the buy orders and the sell orders are matched and authorized for broadcast to each of the plurality of clients and buyer dealers that are matched without disclosing an identity of each of the client and the buyer dealer associated with each trading order being broadcast [col. 3 line 40 through col. 4 line 10; col. 5 lines 30-32; col. 8 lines 3-8; col. 16 lines 22-30]. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to combine the disclosure of McCausland and include

authorizing broadcast of at least part of the submitted orders to plurality of traders;

transmitting the submitted orders authorized for broadcast using the computer to each

of the plurality of traders without disclosing an identity of each trader associated with

each order being broadcast, as disclosed by Lawrence, to enable the traders to

distribute the list of bids/offer to authorized counterparties for their evaluation and

accepting/rejecting the deal to consummate the trade.

Hughes discloses enabling the plurality of clients to anonymously perform a

query for different types of bond instruments; preventing by the electronic trading

system a match of the received trading orders when the predetermined order conditions

associated with the match are invalid and result in a locked or cross market [supra]. It

would have been obvious at the time the invention was made to a person having

ordinary skill in the art to combine the disclosure of McCausland and Lawrence and

include the above feature, as disclosed by Hughes, to generate list of different

candidates based on their orders and CUSIP to be forwarded for matching server's

matching routine for determining when the two orders match and should be forwarded

for execution.

Claims 58-59 are rejected under 35 U.S.C. 103(a) as being unpatentable over

McCausland in view of Jain et al. (hereinafter Jain US 6,343,278), Hughes, APA and

Lupien.

Re. Claim 58, McCausland discloses by the electronic trading system enabling a seller

to anonymously submit a sell order for a bond instrument over a computer network to

potential traders of bond instruments comprising at least one buyer; and enabling a

buyer to anonymously submit a buy order for the bond instrument over a computer

network [see entire document- particularly col. 1 line 47 to col. 2 line 30; col. 1 lines 35-

65 also see "primary dealers ... each other anonymously; col. 2 lines 5-20 "match a

previous offer ..."], and matching buy orders to sell orders using a price/time priority

[col. 2 lines 50-65]; matching using a computer the buy orders and the sell orders using

at least one of a price priority and time priority in combination with at least one of

predetermined order conditions comprising at least one of: a "Fill or Kill" order condition

by immediately filling the order in its entirety or by canceling the order when the order is

not immediately filled; an "All or None" order condition by filling the entire quantity of the

order; a "Minimum Fill" order condition by initially filling a first quantity and wherein the

remaining balance has no conditions unless specified; a "Lots Of" order condition by

setting a condition of minimum execution in lots; a "Show Only" order condition by

managing the display of quantity; a "Good Until a time of day" order condition by setting

the time of order expiration in terms of a time of day; a "Good For a period of time" order

condition by setting the time of order expiration in terms of hours and minutes [see

above]; and a "Quantity" order condition by including the remaining quantity

[McCausland - col. 2 lines 50-65; col. 22 line 40 through col. 23 line 30]; displaying all

received trading orders forwarded from a controller for broadcast; submitting a

completed trading order to a central controller under control of a seller or a

buyer[McCausland - col. 23 lines 59-60 - send; trader is a user/buyer/seller too];

executing automatically a trading order upon selection by a seller or a buyer of a

particular bid or offer being displayed [col. 1 lines 30-35; col. 22 line 40 through col. 24

line 5]; and

creating an audit trail for each order that includes creating an immutable record

of every order modification [col. 13 lines 59-67; col. 21 lines 45-50].

McCausland *does not explicitly disclose* wherein the seller can control the amount of the

order that is disclosed to the potential traders.

However, one skill in the art (practitioners such as brokers, market makers,

dealer, etc) knows that in order to buy or sell securities (such as: stocks, bonds, etc,)

there have to be at least two counter party to do the trade (a seller and a buyer or a

party/counterparty) with and in order for the dealer to trade with counterparty, he/she

should have received from broker/customer and buy-order or a sell-order to trade and

then the buy-order or sell-order is to be distributed or be displayed/shown to the other

dealers/traders who may be interested to trade and after a negotiation/acceptance the

trade has to be executed.

Further, the market orders such as "Fill or Kill", "Minimum Fill", "Lots Of", "Show

Only", "Good Until a time of day", "Good For a period of time", contingent orders, or stop

limit orders are well-known in trading securities where the market order type are stated

by the customer which discloses how does he/she wishes to buy or sell securities and

what price.

Jain discloses wherein the seller can control the amount of the order that is

disclosed to the potential traders [Jain - Figure 1; col. 1 lines 12-38; col. 8 line 54

through col. 9 line 19; col. 11 lines 34-57 – see "amount actually available in the market

may be only a fraction of what is shown on his display"]. It would have been obvious at

the time the invention was made to a person having ordinary skill in the art to combine

the disclosure of McCausland and include enabling a user to submit an order and

control an amount of the order that is disclosed to other traders, as disclosed by Jain to

control the price of security and avoid having a negative impact on the market price of

the security.

Hughes discloses preventing by the electronic trading system a match of the

received trading orders when the predetermined order conditions associated with the

match are invalid and result in a locked or cross market; and matching plurality of orders

[supra]. It would have been obvious at the time the invention was made to a person

having ordinary skill in the art to combine the disclosure of McCausland, Jain and

Hughes and provide an electronic trading system to poll the pending order list of bids

and offers and find suitable matched counter orders with predefined rules once the

matched orders are filled and trade is created the matched orders are executed

otherwise, marked for invalid to be send back to the broker to fix the order [Fig. 2].

Lupien discloses matching the completed trading orders using a price/time

priority in combination with at least one of predetermined order conditions when

presented; presenting a match responsive to said predetermined order conditions; and

matching plurality of orders [Figures 2-6; col. 1 lines 5-18, line 62 through col. 2 line 13,

col. 7 line 47 through col. 8 line 51, col. 10 lines 24-64, col. 12 lines 53 through col. 13

line 42]. It would have been obvious at the time the invention was made to a person

having ordinary skill in the art to combine the disclosure of McCausland, Jain, Hughes

and Lupien to provide an automated securities trading and portfolio management

system to generate liquidity and monitor the security trades, price, size and order type

and match and execute the conditional orders on a price-time priority basis.

Re. Claim 59, McCausland discloses wherein said controller forwards all trading orders

authorized for broadcast to without disclosing an identity of each seller or buyer

associated with each trading order being broadcast [McCausland - col. 23 lines 59-60 -

without disclosing an identity, inherent in anonymous system].

Re. Claim 73, claim is rejected with same rational as claim 72 above.

Response to Arguments

4.   . Applicant's arguments with respect to amended claimed limitations have been

considered but are moot in view of the new ground(s) of rejection.

Conclusion

5.   Applicant's amendment necessitated the new ground(s) of rejection presented in

this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP

§ 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37

CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE

MONTHS from the mailing date of this action. In the event a first reply is filed within

TWO MONTHS of the mailing date of this final action and the advisory action is not

mailed until after the end of the THREE-MONTH shortened statutory period, then the

shortened statutory period will expire on the date the advisory action is mailed, and any

extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of

the advisory action. In no event, however, will the statutory period for reply expire later

than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the

examiner should be directed to HARISH T. DASS whose telephone number is

(571)272-6793. The examiner can normally be reached on 8:00 AM to 4:50 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's

supervisor, Kyle Charles can be reached on 571-272-6746. The fax phone number for

the organization where this application or proceeding is assigned is 571-273-8300.

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USPTO Customer Service Representative or access to the automated information

system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Harish T Dass/
Primary Examiner, Art Unit 3695

Thursday, January 27, 2011